



National Association of State Medicaid Directors

an affiliate of the American Public Human Services Association

SCHIP Reauthorization

NASMD Summary

2-09-2009

SCHIP Reauthorization Legislation Summary of Key Provisions

Title I: Financing

- Extends SCHIP through FFY13 and increases federal funding for the program above the current levels. Appropriates the following amounts:
 - \$10.562 Billion for FFY09;
 - \$12.52 Billion for FFY10;
 - \$13.459 Billion for FFY11;
 - \$14.982 Billion for FFY12; and
 - \$17.406 Billion for FFY13.
- Establishes a child enrollment contingency fund to cover state SCHIP expenditures beyond the amount allotted in the statute for 2009-2013.
- Provides performance bonus payments to states for enrollment costs resulting from specified enrollment and retention efforts.
- Reduces the time-frame for states to spend their allotments from 3 years to 2 years for FY2009 and beyond.
- Explains that shortfall states must spend their redistributed funds by the end of the fiscal year in which the funds are redistributed.
- Provides states with the option to cover low income pregnant women.
- Requires the state to have a Medicaid option of at least 185% FPL for pregnant women and an option of at least 200% FPL for children under 19 for the state to use this option.
- Children born to women receiving benefits under the low income pregnant women option would be automatically enrolled in SCHIP for the first year of his/her life.
- Phases out coverage for non-pregnant childless adults. States can extend existing waivers for this coverage only through December 31, 2009.
- Prevents payment of enhanced FMAP, and instead requires payment of the regular FMAP, for services to children whose family income is above 300% of FPL.

Title II: Outreach & Enrollment

- Provides \$100 million over FY09-FY13 to fund grants to enhance outreach and enrollment for children aimed at increasing participation of children in Medicaid and SCHIP.
- Excludes expenditures for outreach activities to Native American from the 10% limit on administrative costs under SCHIP.
- Allows states to determine eligibility by using findings from an Express Lane agency (agencies that determine TANF, IV-D, SNAP, Head Start, School Lunch, Child Care Block Grant, Homeless Assistance, and Housing programs).
- Allows states to submit names and social security numbers of applicants to SSA in lieu of the paper documentation requirements for proving citizenship and identity.
- Allows states to elect to provide medical assistance, notwithstanding the five year bar, to children and pregnant women who are lawfully residing in the U.S. and who are otherwise eligible for Medicaid.

Title III: Reducing Barriers to Providing Premium Assistance

- Gives states the option to provide a premium assistance subsidy for qualified employer-sponsored coverage to targeted low-income children.
- Establishes special enrollment periods in group health plans to allow for the enrollment of individuals outside an open enrollment period if an individual loses Medicaid or CHIP coverage or if the individual is eligible for Medicaid or CHIP and the Medicaid or CHIP programs purchases the group coverage on behalf of the enrollee.

Title IV: Strengthening Quality of Care & Health Outcomes of Children

- By January 2010, the Secretary must identify and publish a recommended core set of child health quality measures for use under Medicaid and CHIP.
- The Secretary must identify existing quality of care measures for children that are in use under public and privately sponsored health care arrangements or part of reporting systems that measure both the presence and duration of health insurance coverage over time.
- The Secretary will award up to 10 grants (from FY09-FY13) to states and child health providers to conduct demonstration projects to improve the quality of child health care under Medicaid & CHIP.
- CHIP managed care providers will be required to meet the same standards that are in effect for Medicaid managed care providers.

Title V: Improving Access to Benefits

- Requires that the CHIP benefit package include coverage of dental services necessary to prevent disease and promote oral health and treat emergency conditions.
- Provides States the option to provide a supplemental dental benefit to low income children enrolled in group health programs that do not cover dental services.
- Establishes a grace period for individuals to make premium payments before their coverage may be terminated.
- Establishes a Medicaid and CHIP payment and access commission to review policies affecting children's access to covered items and services.

Title VI: Program Integrity and Other Miscellaneous Provisions

- Applies a minimum of 90% to expenditures related to administration of payment error rate measurement (PERM) requirements applicable to SCHIP.
- Waives the 10% cap on SCHIP administrative costs for all expenditures related to the administration of PERM requirements.
- Prevents CMS from calculating or publishing any national or state-specific SCHIP error rate based on PERM until 6 months after a new PERM final rule is published.
- Harmonizing MEQC and PERM.
- Requires that the final rule implementing the PERM requirements to include: (1) clearly defined criteria for errors for both states and providers; (2) a clearly defined process for appealing error determinations by review contractors or specified agency and personnel; and (3) clearly defined responsibilities and deadlines for states in implementing any corrective action plans.